Government of Saskatchewan

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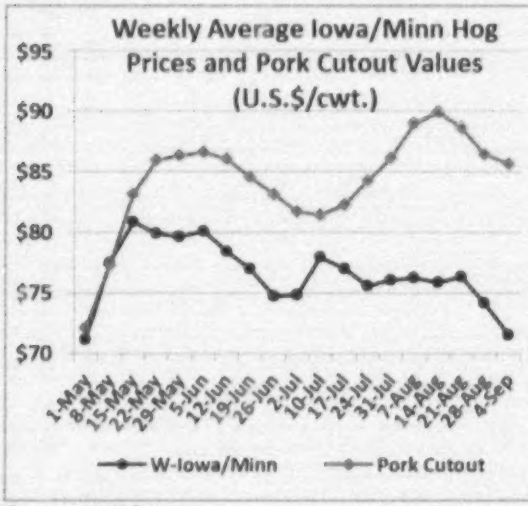
Weekly Hog Report

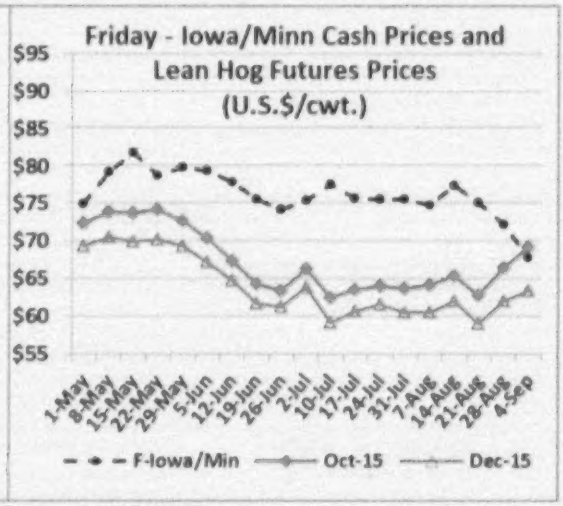
September 8, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) moved lower over the week to end last week lower, week-over-week. Hog prices on Friday September 4 averaged US$67.73 per cwt, down US$4.39 per cwt or 6.1 per cent from US$72.12 per cwt the previous Friday. The negotiated base price last week averaged US$71.57 per cwt, down US$2.58 per cwt or 3.5 per cent from US$74.15 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

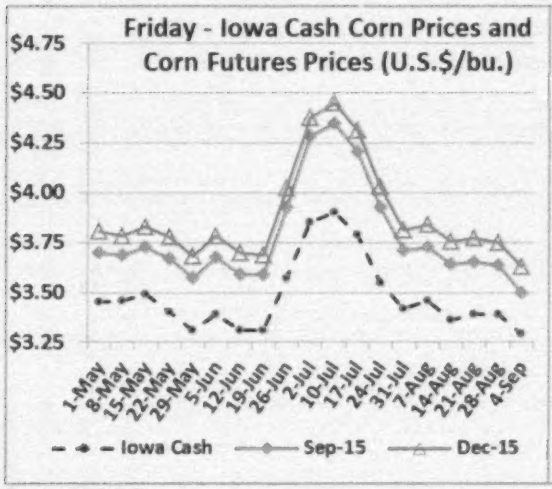
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday Sept. 4, 2015 was $165.49 per ckg, down $11.22 per ckg or 6.3 per cent from $176.71 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $170.50 per ckg, down $9.40 per ckg or 5.2 per cent from the previous weeks' average price of $179.90 per ckg. The Canadian dollar edged lower on continued global economic uncertainties to close Friday at 75.39 cents; down 0.28 cents from the previous Friday's close of 75.67 cents.

Futures Markets

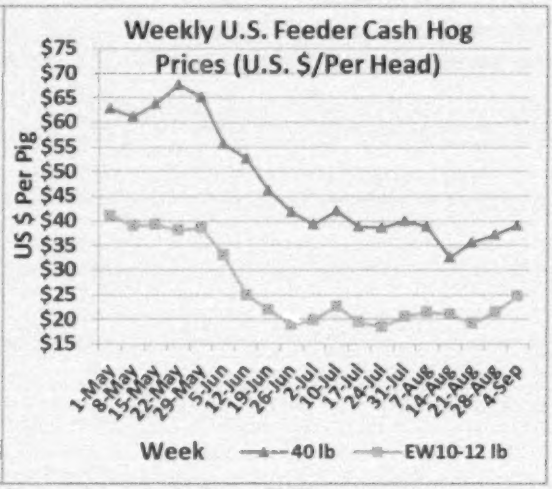
Lean hog futures daily prices were mixed over the week but again ended higher, week-over-week. The nearby October contract increased US$2.725 per cwt to settle Friday at US$69.150 per cwt, while the December contract increased US$1.300 per cwt to settle Friday at US$63.350 per cwt. Current cash hog prices are now below the October lean hog contract, but over $4 per cwt higher than the December futures contract.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices again edged higher last week helped by stronger lean hog futures . Weighted average cash prices for iso-weans (12lb) last week were US$24.73 per head, up US$3.20 per head from US$21.53 per head the previous week. Feeders (40lb) were US$38.94 per head, up $1.79 per head from US$37.15 per head the previous week. Feeder hog prices were again supported by higher lean hog futures prices over the week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices and corn futures were lower last week. Iowa cash corn prices declined ten cents over the week to settle on Friday at US$3.29 per bushel. The September corn futures contract declined almost 14 cents to settle Friday at US$3.49½ per bushel, while the December futures contract declined 12 cents to settle Friday at $3.63 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending September 5 were estimated at 2.171 million head, down 1.9 per cent from 2.214 million head the previous week, but up 21.7 per cent from 1.785 million head the same week a year ago, which was a shorter work week (labor day). U.S. hogs slaughtered over the last four weeks ending September 5 averaged 2.208 million head per week, up 13.4 per cent from 1.948 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending August 29, 2015 were estimated at 420,565 head, up 1.8 per cent from 413,104 head the previous week, and up 6.1 per cent from 396,410 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending August 29, 2015, were estimated to average 404,474 head, up 4.3 per cent from 387,821 head over the same period a year ago Year-over-year, Canadian hogs slaughtered are up 3.1 per cent, at 13.969 million head.

Meat Production

U.S. pork production for the week ending September 5, 2015 was estimated at 453.8 million lb., down 1.9 per cent from 462.8 million lb. the previous week, but up 20.3 per cent from 377.3 million lb. the same week a year ago, which had a shorter work week. Pork production over the last four weeks ending September 5 was estimated to average 461.3 million lb., up 11.9 per cent from 412.3 million lb. over the same four week period a year ago.

U.S. beef production for the week ending September 5 was estimated at 463.9 million lb., up 2.5 per cent from 452.4 million lb. the previous week, and up 8.2 per cent from 428.8 million lb. the same week a year ago, which was a shorter work week (labor day).

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending August 29, 2015, was estimated to average 2.023 billion lb., up 2.5 per cent from 1.973 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be up 3.7 per cent compared to the same period in 2014.

United States Weekly Meat Production

(Aug. 29) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	420.7	459.0	9.1%	7.8%
Beef	474.4	451.7	-4.8%	-4.2%
Chicken	944.7	992.7	5.1%	6.7%
Turkey	133.4	119.3	-10.6%	-2.8%
Total	**1,973.1**	**2,022.7**	**2.51%**	**3.70%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending September 5, 2015 averaged US$85.70 per cwt, down US$0.76 per cwt or 0.9 per cent from US$86.46 per cwt the previous week, and down 16.5 per cent from US$102.67 per cwt from a year ago. Seasonally, pork cutout values typically trend lower into the fourth quarter with larger pork supplies; and this year will likely be no exception.

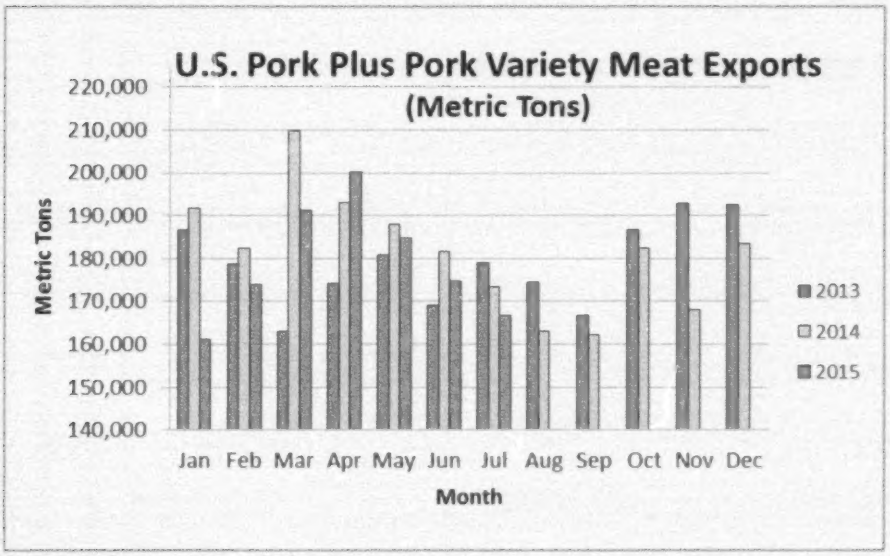
Choice beef cutout prices (600-900 lb.) averaged US$241.06 per cwt for the week ending September 5, 2015, down US$2.91 per cwt or 1.2 per cent from US$243.97 per cwt the previous week, and down 2.6 per cent from US$247.62 per cwt the same week a year ago. While beef cutout values are currently below year-ago record levels, cutout prices are still well above the 10-year average.

Average chicken cutout values (Northeast breast) for the week ending September 5, 2015 averaged US$142.20 per cwt, down US$2.43 per cwt or 1.7 per cent from US$144.63 per cwt the previous week, and down 23.0 per cent from US$184.65 per cwt the same week a year ago.

United States Pork Exports

United States exported 166,604 metric tons of pork plus pork variety meats in July 2015, down 4.6 per cent from 174,554 metric tons in June 2015, and down 3.8 per cent from 173,270 metric tons in July 2014. By dollar amount, U.S. pork exports in July 2015 were US$443.1 million, down 2.4 per cent from US$454.1 million in June 2015, and down 22.7 per cent from US$573.5 million in July 2014.

Year-to-date as of July 2015, U.S. pork plus pork variety meat exports by volume are lower to Japan, China, and Canada, but still higher to Mexico and South Korea. However, by dollar value exports are lower to Mexico, likely on lower cuts being sent there. (Source: U.S. Meat Export Federation)



Source: U.S. Meat Export Federation

United States pork imports by carcass weight for July 2015 was 85.3 million lb., up 7.5 per cent from July 2014, but down 10.7 per cent from 95.5 million lb. in June 2015. Year-to-date as of July 2015, U.S. pork imports were 18.1 per cent higher compared to the first seven months of 2014. Higher imports are primarily due to an increase from Canada which increased 20.9 per cent, followed by Poland, Ireland, United Kingdom and Italy. (Source: USDA Economic Research Service)

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